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territories now forming the Republic of Austria with some larger economic unit, with one custom boundary in common. One of these plans, which has, however, found but few adherents, their number constantly decreasing, aims at the re-union into one homogeneous economic whole of those parts that formerly constituted the Austria-Hungarian Monarchy or, failing this, of at least its central provinces, comprising the republics of Austria, Czecho-Slovakia and Hungary.

Aside from some smaller obstacles, this plan failed for the following reasons: the desire of Czecho-Slovakia to make Prague the political and economic capital of Central Europe; the deterioration which the Treaty of St. Germain has produced in the commercial and financial position of Austria, which would involve Czecho-Slovakia, also, in case of a tariff union; the divergence of the rates of exchange of the three countries, which would be a heavy burden to Czecho-Slovakia and a benefit to Austria and Hungary; the differences between Austria and Hungary on the question of the "Burgenland" (Western Hungary) and the contrast of the royalist-aristocratic trend of Hungary and the re-

publican-democratic trend of Austria.

Therefore, from the very beginning, the vast majority of the population has most energetically embraced the other plan. After this plan, Austria being in its present shape almost entirely inhabited by a population speaking and feeling German, would be united, at least economically, with Germany. Beside the argument of nationality there is an economic consideration, too, which speaks in favor of the union with Germany. Heavy as may be the burden imposed upon Germany by the Treaty of Versailles, the situation of this country may be termed brilliant when compared with that of the Austrian Republic. Further, Germany has always shown a very friendly attitude in respect to all questions of commerce and tariff policy ever since the autumn of 1918, and German capitalists have invested large sums in Austrian enterprises, especially in the iron industry in the North of Styria.

It is highly desirable that a feasible plan shall soon be adopted, for the economic situation of the country, lacking the most necessary natural resources and burdened with too large a capital city, still continues very unsettled.

## CHAPTER XII

### Social Policy in the Republic of Austria

By DR. ANTON HOFFMANN-OSTENHOF

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IN the following pages we propose to try to give a clear picture of the present state of social legislation in Austria as it has developed from the very beginning of the new Republic. Immediately after the War, in November, 1918, Austria was threatened by grave dangers. A multitude of sol-

diers returning from the front and unaccustomed to regular work flooded the country, while the war manufactures had to shut down. Thus there collected a whole army of unemployed, and serious outrages were to be dreaded in view of the excited state of mind of the population. It was therefore one

of the first duties of the newly founded Republic to find a remedy and to enable the unemployed to earn their living. Indeed, a few days later an unemployed payment was created with great financial sacrifices on the part of the government, by which the more serious economic and social disturbances could be avoided. The unemployed payment was at first nothing but a provisional measure to meet emergency; to carry it out, it was necessary to create a complicated new machinery and to institute special agencies for the unemployed. It devolved upon these agencies, in the first place, to procure suitable work for the unemployed who applied to them; if this proved impossible, the unemployed payment was granted out of the public fund, if the applicant had previously been in a situation which made health insurance compulsory. The sum of the unemployed payment was proportional to the daily insurance money, with extra pay for the members of the family.

As the economic situation continued to remain unfavorable, the unemployed payment had to be maintained; but, profiting by experience, it was reduced to a legal basis and transformed from a provisional emergency measure into a lasting institution organized in the form of an insurance against unemployment. Since the new law of 1920, the costs of the unemployed payment are no longer borne exclusively by the government but, according to the principles of insurance, the employers and employees are also compelled to contribute to the payment. While at first allowance was made for a critical situation and an indulgent treatment of the applicants for assistance proved necessary, at present the conditions of unemployed payment are based by law on severer rules and its duration is limited to a certain date within a year. The unemployed payment has also

been extended to all industrial laborers and employes. The amount of the grant is at present fixed in accordance with the daily money paid by the health insurance in case of sickness; the extra pay for the family has been abolished. Decision as to claims to the grant is regulated by law, and abuse of the unemployed payment is provided against by extensive measures of control.

The overstraining of the human working power as practised during the War necessitated a series of legislative measures all of which tend to spare and preserve the physical strength of the population and to protect certain classes of persons particularly in need of protection, against over-exertion.

#### THE EIGHT HOUR DAY

The most important measure to this end is the fixing of the eight hour day. Like the unemployed payment, this measure, long demanded by the laborers, was introduced in the winter of 1918-19 only by way of trial, and limited to the workmen in factories, where it encountered comparatively small difficulties. There, although it was impossible to form any definite opinion owing to the prostration of industrial life, a year after the law had been enacted it was observed that the factories had so far adapted themselves to the eight hour day that its definite institution could be contemplated, the more so as Austria's neighbors had followed the same course. The eight hour day was, accordingly, extended to all enterprises, not only concerning laborers but employes as well, by a law that came into force in the middle of 1920. Under this measure, the working of overtime may be allowed by the authorities to satisfy an increased demand for production. By mutual agreement (*Kollektivvertrag*) the eight hour day may be supplanted by the forty-eight hour week in order to pro-

cure the workers the advantage of a free Saturday afternoon. Exceptions of a general character for certain groups of enterprises may be fixed by the Ministry for Social Administration after having heard a council wherein employers and employed are represented in equal numbers. Such exceptions have been repeatedly granted, especially to meet the requirements of the small industries in the countryside.

The eight hour day was also introduced in the bakeries. The unsanitary conditions in this industry called for a special provision for the workmen. Already during the war when the baking of white rolls and bread were stopped, the customary but much opposed nightwork had been abolished to a certain extent. The bakery law of 1919 gave the prohibition of nightwork a legal form. With regard to the particular danger to health accompanying this work, the employment of baker's apprentices was made subject to medical certificate, establishing the physical qualification of the apprentice. The same precaution is taken in English legislation.

#### INDUSTRIAL PROTECTION

Among the persons most in need of protection we must count the women, juveniles and children. According to the laws now in force, women are not allowed to do regular industrial work during the first six weeks after their confinement. It is forbidden in all industries to employ female workers of any age, or male juveniles of between fourteen and eighteen years of age, in nightwork, between 8 p.m. and five a.m. The night's repose of these persons must amount to at least eleven successive hours. Exceptions beside those necessary to remedy a disturbance in the works or to avoid the loss of material, can be fixed by the Ministry for Social Administration, after

having heard the trade unions of the workers concerned and the associations of the employers, if important economical considerations or the interests of the workers should require them.

Detailed regulations for the protection of children are made by the Children's Employment Law of 1918. This refers to the employment of children, boys and girls below fourteen years of age, in regular remunerative work, even when not separately paid. The employment of children before their twelfth year of age is prohibited altogether except for light work in agriculture or in the household, and even here permitted only after the tenth completed year of age. In certain precarious enterprises and in dangerous lines of work, every kind of child employment is forbidden. As far as it is possible under the law, children must not be impaired in health, bodily or mental development, must not be morally endangered, or prevented from attending school. Also the night's rest of children, their employment on school days and school holidays and their Sunday rest are regulated by this law.

In the mining industry, the employment of children and the nightwork of women and male juveniles are prohibited just the same as in all other industrial undertakings. Juveniles of both sexes under eighteen years may be employed in mines only in such manner as not to injure their bodily development. Women of any age may be employed in mines only during the daytime; women before their confinement only for light work, and not sooner than six weeks after their confinement. Sunday rest is kept in the mining industry in the same manner as in other industrial undertakings.

Already in peace-time the legislative protection of persons employed in homework in Austria had long been contem-

plated. This problem gained in importance during the war when numerous women were employed as homeworkers in the manufacture of underwear and uniforms for the army. The actual law on working and wages conditions for homework presents itself as a continuation of these endeavors. This regulation is confided to special commissions that, on the whole, have the same task as a board of wages. They fix minimum wages and may issue compulsory decrees regarding labor and delivery conditions. In addition, the law provides measures to prevent economically weak employes from being over-reached by their employers.

During the rush work of war-time it was not always possible to pay the necessary attention to protection of labor with regard to avoidance of accidents in factories. This could be secured only when quieter conditions returned. Connected with it is the reform of the meritorious institution of factory inspection which has existed in Austria since 1883. By a lately promulgated law its domain was much enlarged, so that it now controls not only the industrial undertakings but also the majority of other enterprises, such as banks, theatres, newspapers, homework, children's work, etc. That the inspectors of factories may fulfill their difficult duty, a higher official authority was bestowed on them, giving them the right to make a recommendation in criminal cases concerning the violation of the protection of labor, and the right to dispose independently in order to avoid threatening dangers when measures are necessary for the protection of the life, health and morality of the workers.

#### THE ARBEITERKAMMERN AND BETRIEBSRÄTE

Of the whole social legislature of the democratic Republic of Austria the

democratic principle of the worker's right of determination is most characteristic. This principle is especially realized in two modern institutions: the *Arbeiterkammern* (workmen's chambers), and the *Betriebsräte* (workmen's councils). In the *Arbeiterkammern* the workers and employes secure a representation of their economic interests organized by legislature. Heretofore, only employers had possessed such representation in the Chambers of Industry and Commerce. The *Arbeiterkammern* are organized in analogy to the Chambers of Commerce and Industry. Their members are elected by the workers and employes. Their task is, particularly, to give reports, memoranda, and proposals concerning the regulation and protection of labor, workers' insurance and aid for workers, to the authorities and legislative corporations for use in the making of labor statistics, welfare work, etc.

The institution of the *Betriebsräte*, or workmen's councils, is regulated by a law in force since the middle of 1919. With the experience acquired since that time it may be said that the fears of this new institution expressed by some quarters were unfounded. The *Betriebsräte*, which it is well to discriminate from the so-called *Arbeiterräte*, promise to become a useful intermediary between the employer and the employed. Fulfilment of this promise has been facilitated by the fact that their domain has been strictly circumscribed by law, and that in the event of the springing up of controversies, their decision has been referred to special boards, *Eini-gungsämter*, which are composed of equal parts of employers and employed, and are presided over by an impartial jurisdictional official. *Betriebsräte* must be elected in all factories and other enterprises with at least twenty workmen or employes. The number of the members of the *Betriebsräte* varies

according to the number of the persons belonging to the enterprise; the elections are to be made according to the principle of proportional elections. The Betriebsräte have to further the economic and social welfare of the employed. It is their task to execute the collective agreements, to control their execution, to introduce new ones after an understanding with the trade unions, to control the execution and observation of legislative prescriptions on workmen insurance, factory health, prevention of accidents, to inform the controlling authorities if necessary, to see that discipline is kept in the factory, etc. The Betriebsräte can be dismissed only if a legal reason exists, for such dismissal, and then, only with the consent of the Einigungsamt.

These Einigungsämter, beside attending to the tasks above mentioned, practise as *Friedensrichter*, (justices of peace), in the settlement of controversies springing out of conditions of labor, and can, if a friendly settlement is not established, pronounce an award which is legally executable, if the parties submit to it. Furthermore, they are registering boards for collective agreements. The system of collective agreements which is in use in nearly all branches of industry is registered at the Einigungsamt and published by it. The Einigungsamt can also extend the prescriptions of a collective agreement having gained preponderate importance to other labor contracts which are similar to those regulated by the collective agreement.

#### GENERAL SOCIAL MEASURES

Beside the workers and their employes the clerks have also succeeded in securing social improvements. In the period at the end of the war, they were protected against the loss of their positions by the prohibition of dismissal through employers. Later on, this

prohibition was limited and dismissal allowed under certain conditions, especially against the grant of a compensation. Finally, the whole legislation concerning clerical employes was regulated by a new law. This law perpetuates the prescription that the employe, who leaves his place through no fault of his own, after having held his position for some time, has the right to a compensation. Also the regulations concerning the consequences of unfounded dismissal, the terms of said dismissal, the receipt of salaries during sickness, confinement and leave of absence, give many advantages to the employes. A special law regulates paid leave for industrial workers who have a claim to from one to two weeks leave every year.

To the classes which get a modern social protection belong also the house-servants, including governesses, private tutors, etc. To these persons a limit of the daily working hours, pauses for rest, free going out, yearly leave, assistance in the case of illness have been secured by law. Also the sickness and accident insurance has been extended to the house-servants.

On the whole, it is planned to extend the sickness and accident insurance to persons who earn their living independently, *i.e.*, especially to the workers in agriculture and forestry who have been excluded until now. Of particular importance is the creation of an old age and invalidity insurance, very much in demand for some time by the working classes, which, too, it is planned shall presently be extended to all dependently working persons.

For the state officials who are particularly involved by the present situation and whose salaries cannot in consequence of the sad state of public finances keep pace with the huge increase of prices, a new kind of assist-

ance has been instituted by a special sickness insurance.

#### NATIONALIZATION LAWS

The much discussed problem of nationalization has also occupied the Austrian legislation. The laws relating to public welfare provide appropriation of economic enterprises for the benefit of public corporations (state, province, municipality), which shall be executed with full compensation of the proprietor according to a well regulated procedure. Provision is made, furthermore, for the creation of *Gemeinwirtschaftliche* institutions, a kind of syndicalism, founded by the state, province or municipality and intended either for transferring private or public enterprises to the property or administration of such *gemeinwirtschaftliche* institutions or for creating new enterprises in this form. The net return of these institutions is divided between the founding corporation and its workers and em-

ployes, the share of the employes being allowed to reach one-fourth of the return.

With the exception of some few and very moderate attempts to transfer public or state enterprises to *gemeinwirtschaftliche* institutions, a realization of these legislative regulations has not yet taken place. It is quite certain that it is impossible to realize this plan to a greater extent under the prevailing difficulties.

This short enumeration of the most important measures, may prove how active the Austrian legislature has been in the last years with regard to social policy, and may serve to show what social progress has been made. That all these manifold innovations, decisive in the development of the economic life could, on the whole, be introduced without any greater troubles, gives evidence of the sound judgment of all classes and persons concerned, and permits a hope of the best for the future.

## CHAPTER XIII

### Government Organization for Social Aid in Austria

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IN the following article, we propose to speak entirely of juvenile aid, aid for disabled soldiers, their widows and orphans, and poor relief, since the other provisions of government organization for social help are to be dealt with in special chapters.

#### JUVENILE AID

For many centuries past it has devolved upon the Austrian courts of justice to appoint and control guardians for children who are deprived of

the legitimate guardianship of a father. The courts of justice also exercise a far-reaching right of control over the father's. They limit his power and proffer assistance even against the will of father or guardian. This jurisdictional care for juveniles has quite recently been given a wider compass by the law of 1919. This new law concerning juvenile courts decrees their jurisdiction exercised over persons under eighteen years of age to be joint with the jurisdiction of the